

SECRET

Approved For Release 2002/06/11 : CIA-RDP67B00820R000500010001-9

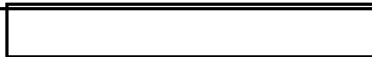
OSA-2906-65
Copy 2 of 4

25X1A

23 JUL 1965



Attention:



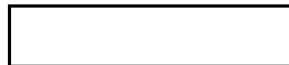
Gentlemen:

Enclosed for your information and retention is an
Advisory Report of Final Audit on CPTF Subcontract No. 005 with
EG&G.

Very truly yours,

SIGNED


25X1A



Contracting Officer

Encl./As Stated

25X1A

:dct/CD/OSA/DD-S&T

Distribution:

- Orig - Addressee
- cy 2 - CD/OSA - RS-8037 ✓
- 3 - Audit Liaison Office
- 4 - RB/OSA

Approved For Release 2002/06/11 : CIA-RDP67B00820R000500010001-9

SECRET

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON 25, D.C.



OSA-2846-65
#1613

REPLY TO:
Auditor General Representative (APL)
P. O. Box 8155
S. W. Station
Washington, D. C.

9 July 1965

REPLY TO
ATTN OF:

SUBJECT:

TO:

SUBJECT: Advisory Report of Final Audit of CPFF Subcontract
Edgerton, Germeshauser & Grier, Inc.
Boston, Massachusetts

Subcontract No. 005 under Prime Contract RS-8037

TO : Contracting Officer

1. This is the final audit report for subcontract No. 005 under prime contract RS-8037 dated 1 March 1960. The subcontract called for the development of prototype models of microwave switches. Work started in February 1960 and was completed in March 1963.

2. The subcontract, as amended, provided for estimated costs of [] and fixed fee of [] totaling []

3. The subcontractor submitted the following documents to effect closing of the subcontract. These are:

- a. Final cost summary and certificate
- b. Sub-contractor's release and
- c. Sub-contractor's assignments of refunds, rebates and credits.

The subcontractor stated that the following documents were transmitted directly to the prime contractor:

- a. Inventory certificate and
- b. Patent statement.

The subcontractor further stated that there are no contractual requirements to submit a royalty statement.

25X1A

4. The results of audit follow:

Costs Claimed
Fixed Fee

Amount approved by auditor



5. Allowable costs were determined in accordance with Part 2 Section XV, Armed Services Procurement Regulation, and other terms of the contract.

6. There are no unclaimed wages, unclaimed deposits, unrepresented checks or known potential credits or refunds.

7. There are no known charges outstanding against the contractor for any loss, damage or destruction of Government property.

SIGNED

William F. Edwards

Auditor General Representative (APL)

CONTRACTOR'S RELEASE

Contract No. 005 (P.O. 1609)

25X1A

Pursuant to the terms of Contract No. 005 (Purchase Order 1609)
and in consideration of the sum of [redacted]

25X1A

[redacted] which has been or is to be paid under the said contract to
EDGERTON, GERMESHAUSEN & GRIER, INC., 160 Brookline Avenue, Boston,
Suffolk County, Commonwealth of Massachusetts (hereinafter called the Contractor)
or to its assignees, if any, the Contractor, upon payment of the said sum by the
UNITED STATES OF AMERICA (hereinafter called the Government), does remise,
release, and discharge the Government, its officers, agents, and employees, of and
from all liabilities, obligations, claims and demands whatsoever under or arising
from the said contract, except:

1. Specified claims in stated amounts or in estimated amounts where the
amounts are not susceptible of exact statement by the Contractor, as follows:

None

2. Claims, together with reasonable expenses incidental thereto, based upon
the liabilities of the Contractor to third parties arising out of the performance of the
said contract, which are not known to the Contractor on the date of the execution of
this release and of which the Contractor gives notice in writing to the Contracting
Officer within the period specified in the said contract.

3. Claims for reimbursement of costs (other than expenses of the Contractor
by reason of its indemnification of the Government against patent liability), including
reasonable expense incidental thereto, incurred by the Contractor under the provisions
of the said contract relating to patents.

The Contractor agrees, in connection with patent matters and with claims
which are not released as set forth above, that it will comply with all of the provisions
of the said contract, including without limitation those provisions relating to notification
to the Contracting Officer and relating to the defense or prosecution of litigation.

IN WITNESS WHEREOF, this release has been executed this ~~eleventh~~ day of
May, 1955

EDGERTON, GERMESHAUSEN

25X1A

By: [redacted]

25X1A

25X1A

CERTIFICATE

I, [redacted], certify that I am the Clerk of the corporation
named as Contractor in the foregoing release; that [redacted]
who signed said release on behalf of the Contractor was then Treasurer of
said corporation; that said release was duly signed for and in behalf of said corporation
by authority of its governing body and is within the scope of its corporate powers.

[redacted] 25X1A

CONTRACTOR'S ASSIGNMENT OF REFUNDS,
REBATES AND CREDITS

Contract No. 005 (P.O. 1609)

Pursuant to the terms of Contract No. 005 (Purchase Order 1609) and in consideration of the reimbursement of costs and payment of fee, as provided in the said contract and any assignment thereunder, EDGERTON, GERMESHAUSEN & GRIER, INC., 160 Brookline Avenue, Boston, Suffolk County, Commonwealth of Massachusetts (hereinafter called the Contractor) does hereby:

1. Assign, transfer, set over and release to the UNITED STATES OF AMERICA (hereinafter called the Government), all right, title and interest to all refunds, rebates, credits or other amounts (including any interest thereon) arising out of the performance of the said contract, together with all the rights of action accrued or which may hereafter accrue thereunder.

2. Agree to take whatever action may be necessary to effect prompt collection of all refunds, rebates, credits or other amounts (including any interest thereon) due or which may become due, and to promptly forward to the **Contracting Officer** checks (made payable to the Treasurer of the United States) for any proceeds so collected. The reasonable cost of any such action to effect collection shall constitute allowable costs when approved by the Contracting Officer as stated in the said contract and may be applied to reduce any amounts otherwise payable to the Government under the terms hereof.

3. Agree to cooperate fully with the Government as to any claim or suit in connection with refunds, rebates, credits or other amounts due (including any interest thereon); to execute any protest, pleading, application, power of attorney or other papers in connection therewith; and to permit the Government to represent it at any hearing, trial or other proceeding arising out of such claim or suit.

IN WITNESS WHEREOF, this assignment has been executed this **eleventh** day of
May 1965

EDGERTON, GERMESHAUSEN 25X1A

By: [Redacted] C. 25X1A

CERTIFICATE

I, [Redacted], certify that I am the **Clerk** 25X1A
of the corporation named as Contractor in the foregoing assignment; that
[Redacted] who signed said assignment on behalf of the Contractor
was then **Treasurer** of said corporation; that said assignment was duly
signed for and in behalf of said corporation by authority of its governing body and
is within the scope of its corporate powers.

[Redacted] 25X1A

25X1A

OSA-0872-62
#1023

REPLY TO:
Auditor General
Comptroller, USAF
Eastern District
Liaison Office
P.O. Box 8155
S.W. Station
Washington, D.C.

20 August 1962

SUBJECT: Report on Determination of Overhead Rate

25X1A

Period: Fiscal Year Ended 30 June 1962

TO : Contracting Officer

1. Review of the contractor's books and records has been made by the auditor for the fiscal year ended 30 June 1962 and the results thereof are set forth in this report. Audit procedures were carried out in a manner consistent with generally accepted procedures and in accordance with applicable Government regulations. Items of indirect expense were selectively tested to the extent deemed appropriate by the auditor. Direct labor was verified by reference to the job cost ledger and also to the payroll distribution record.

25X1A

2. The overhead rate for fiscal 1962 recommended for acceptance by the auditor is to be applied to direct labor dollars. The rate was computed as follows:

25X1A

Total Indirect Expenses
Total Direct Labor
Overhead Expense Rate

--

25X1A

3. There are approximately three items of indirect expense which account for the sharp increase in the overhead rate over the fiscal 1961 rate of (a) an increase in administrative expense, (b) the initiation of a Pension Plan and (c) the depreciation charges for the current fiscal period. The contractor elected at the close of fiscal 1961 to compute depreciation on a "Sum of the Years Digits" method wherein the depreciation charges are greater in the early years of acquisition and repair and maintenance charges and minimal. All depreciable assets of the contractor have been treated in this manner.

4. The auditor has attached herewith a listing of the fiscal 1962 overhead expenses and the related direct labor base. It may be of interest to the Contracting Officer that, of the total indirect expenses, two items, namely, administrative salaries and depreciation, account for more than half of the overhead expense. Of the overhead rate of [] administrative salaries represent [] and depreciation charges aggregate [] in relation to the direct labor bases.

25X1A

25X1A

25X1A

5. The auditor's findings have been discussed with [] who is in agreement therewith. [] has requested that he be allowed some additional time to compute a projected provisional overhead rate for the fiscal year 1963.

25X1A

25X1A

W. F. Edwards

W. F. EDWARDS
Audit Liaison Officer
Eastern District
Auditor General

STATINTL

Next 1 Page(s) In Document Exempt